

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

PHARO GAIA FUND, LTD., PHARO  
MACRO FUND, LTD., and PHARO  
TRADING FUND, LTD.,

Plaintiffs,

v.

THE BOLIVARIAN REPUBLIC OF  
VENEZUELA,

Defendant.

Case No. 20-cv-8497 (AT)

**AFFIDAVIT OF JEFFREY HANLON IN SUPPORT OF PLAINTIFFS' APPLICATION  
FOR DEFAULT JUDGMENT**

I, Jeffrey Hanlon, affirm under the penalty of perjury that the following is true and correct:

1. My name is Jeffrey Hanlon. I am a Senior Partner and Chief Financial Officer at Pharo Management, Inc., which is the U.S. investment manager to the Plaintiffs in this case, Pharo Gaia Fund, Ltd. (“Pharo Gaia”), Pharo Macro Fund, Ltd. (“Pharo Macro”), and Pharo Trading Fund, Ltd. (“Pharo Trading”). As Senior Partner and CFO, I have personal knowledge of the facts set forth in this affidavit because I was personally involved in executing or overseeing the transactions referenced below. I submit this affidavit in support of Plaintiffs’ application for default judgment.

2. As set forth below, the Bolivarian Republic of Venezuela (“Venezuela”) owes the following amounts to each of the plaintiffs:

-\$560,158,375 to Pharo Gaia, plus any principal and interest payments that may accrue and remain unpaid prior to the date of judgment, along with prejudgment interest, attorneys’ fees, and postjudgment interest.

-\$617,973,000 to Pharo Macro, plus any principal and interest payments that may accrue and remain unpaid prior to the date of judgment, along with prejudgment interest, attorneys' fees, and postjudgment interest.

-\$54,703,750 to Pharo Trading, plus any principal and interest payments that may accrue and remain unpaid prior to the date of judgment, along with prejudgment interest, attorneys' fees, and postjudgment interest.

### **Pharo Gaia – 6.00% 2020 Bonds**

3. Pharo Gaia is a current beneficial owner of \$186,000,000 principal amount of the 6.00% 2020 Bonds designated ISIN USP9747AG56.

4. On December 9, 2017, June 9, 2018, December 9, 2018, June 9, 2019, December 9, 2019, June 9, 2020, and December 9, 2020, Venezuela failed to make contractually mandated interest payments of 3.00% on the \$186,000,000 principal amount of the 6.00% 2020 Bonds beneficially owned by Pharo Gaia, which amounts to \$5,580,000 per interest payment or \$39,060,000 in total.

5. Venezuela has yet to make those interest payments.

6. On December 9, 2020, when the 6.00% 2020 Bonds matured, Venezuela failed to pay the \$186,000,000 principal amount beneficially owned by Pharo Gaia.

7. Venezuela has yet to make that principal payment.

8. As a result of Venezuela's failures to meet its obligations under the 6.00% 2020 Bonds, Venezuela currently owes Pharo Gaia: (1) \$186,000,000 in missed principal payments; and (2) \$39,060,000 in missed interest payments.

**Pharo Macro – 6.00% 2020 Bonds**

9. Pharo Macro is a current beneficial owner of \$190,450,000 principal amount of the 6.00% 2020 Bonds designated ISIN USP9747AG56.

10. On December 9, 2017, June 9, 2018, December 9, 2018, June 9, 2019, December 9, 2019, June 9, 2020, and December 9, 2020, Venezuela failed to make contractually mandated interest payments of 3.00% on the \$190,450,000 principal amount of the 6.00% 2020 Bonds beneficially owned by Pharo Macro, which amounts to \$5,713,500 per interest payment or \$39,994,500 in total.

11. Venezuela has yet to make those interest payments.

12. On December 9, 2020, when the 6.00% 2020 Bonds matured, Venezuela failed to pay the \$190,450,000 principal amount beneficially owned by Pharo Macro.

13. Venezuela has yet to make that principal payment.

14. As a result of Venezuela's failures to meet its obligations under the 6.00% 2020 Bonds, Venezuela currently owes Pharo Macro: (1) \$190,450,000 in missed principal payments; and (2) \$39,994,500 in missed interest payments.

**Pharo Trading – 6.00% 2020 Bonds**

15. Pharo Trading is a current beneficial owner of \$4,500,000 principal amount of the 6.00% 2020 Bonds designated ISIN USP9747AG56.

16. On December 9, 2017, June 9, 2018, December 9, 2018, June 9, 2019, December 9, 2019, June 9, 2020, and December 9, 2020, Venezuela failed to make contractually mandated interest payments of 3.00% on the \$4,500,000 principal amount of the 6.00% 2020 Bonds beneficially owned by Pharo Trading, which amounts to \$135,000 per interest payment or \$945,000 in total.

17. Venezuela has yet to make those interest payments.

18. On December 9, 2020, when the 6.00% 2020 Bonds matured, Venezuela failed to pay the \$4,500,000 principal amount beneficially owned by Pharo Trading.

19. Venezuela has yet to make that principal payment.

20. As a result of Venezuela's failures to meet its obligations under the 6.00% 2020 Bonds, Venezuela currently owes Pharo Trading: (1) \$4,500,000 in missed principal payments; and (2) \$945,000 in missed interest payments.

#### **Pharo Gaia – 9.00% 2023 Bonds**

21. Pharo Gaia is a current beneficial owner of \$24,000,000 principal amount of the 9.00% 2023 Bonds designated ISIN USP1765AA59.

22. On November 7, 2017, May 7, 2018, November 7, 2018, May 7, 2019, November 7, 2019, May 7, 2020, and November 7, 2020, Venezuela failed to make contractually mandated interest payments of 4.50% on the \$24,000,000 principal amount of the 9.00% 2023 Bonds beneficially owned by Pharo Gaia, which amounts to \$1,080,000 per interest payment or \$7,560,000 in total.

23. Venezuela has yet to make those interest payments.

24. As a result of Venezuela's failures to meet its obligations under the 9.00% 2023 Bonds, Venezuela currently owes Pharo Gaia \$7,560,000 in missed interest payments.

#### **Pharo Macro – 9.00% 2023 Bonds**

25. Pharo Macro is a current beneficial owner of \$19,000,000 principal amount of the 9.00% 2023 Bonds designated ISIN USP1765AA59.

26. On November 7, 2017, May 7, 2018, November 7, 2018, May 7, 2019, November 7, 2019, May 7, 2020, and November 7, 2020, Venezuela failed to make contractually mandated

interest payments of 4.50% on the \$19,000,000 principal amount of the 9.00% 2023 Bonds beneficially owned by Pharo Macro, which amounts to \$855,000 per interest payment or \$5,985,000 in total.

27. Venezuela has yet to make those interest payments.

28. As a result of Venezuela's failures to meet its obligations under the 9.00% 2023 Bonds, Venezuela currently owes Pharo Macro \$5,985,000 in missed interest payments.

#### **Pharo Gaia – 8.25% 2024 Bonds**

29. Pharo Gaia is a current beneficial owner of \$75,500,000 principal amount of the 8.25% 2024 Bonds designated ISIN USP97475AP55.

30. On October 13, 2017, April 13, 2018, October 13, 2018, April 13, 2019, October 13, 2019, April 13, 2020, October 13, 2020, and April 13, 2021, Venezuela failed to make contractually mandated interest payments of 4.125% on the \$75,500,000 principal amount of the 8.25% 2024 Bonds beneficially owned by Pharo Gaia, which amounts to \$3,114,375 per interest payment or \$24,915,000 in total.

31. Venezuela has yet to make those interest payments.

32. As a result of Venezuela's failures to meet its obligations under the 8.25% 2024 Bonds, Venezuela currently owes Pharo Gaia \$24,915,000 in missed interest payments.

#### **Pharo Macro – 8.25% 2024 Bonds**

33. Pharo Macro is a current beneficial owner of \$44,300,000 principal amount of the 8.25% 2024 Bonds designated ISIN USP97475AP55.

34. On October 13, 2017, April 13, 2018, October 13, 2018, April 13, 2019, October 13, 2019, April 13, 2020, October 13, 2020, and April 13, 2021, Venezuela failed to make contractually mandated interest payments of 4.125% on the \$44,300,000 principal amount of the

8.25% 2024 Bonds beneficially owned by Pharo Macro, which amounts to \$1,827,375 per interest payment or \$14,619,000 in total.

35. Venezuela has yet to make those interest payments.

36. As a result of Venezuela's failures to meet its obligations under the 8.25% 2024 Bonds, Venezuela currently owes Pharo Macro \$14,619,000 in missed interest payments.

#### **Pharo Trading – 8.25% 2024 Bonds**

37. Pharo Trading is a current beneficial owner of \$17,700,000 principal amount of the 8.25% 2024 Bonds designated ISIN USP97475AP55.

38. On October 13, 2017, April 13, 2018, October 13, 2018, April 13, 2019, October 13, 2019, April 13, 2020, October 13, 2020, and April 13, 2021, Venezuela failed to make contractually mandated interest payments of 4.125% on the \$17,700,000 principal amount of the 8.25% 2024 Bonds beneficially owned by Pharo Trading, which amounts to \$730,125 per interest payment or \$5,841,000 in total.

39. Venezuela has yet to make those interest payments.

40. As a result of Venezuela's failures to meet its obligations under the 8.25% 2024 Bonds, Venezuela currently owes Pharo Trading \$5,841,000 in missed interest payments.

#### **Pharo Gaia – 7.65% 2025 Bonds**

41. Pharo Gaia is a current beneficial owner of \$176,000,000 principal amount of the 7.65% 2025 Bonds designated ISIN XS0217249126.

42. On October 21, 2017, April 21, 2018, October 21, 2018, April 21, 2019, October 21, 2019, April 21, 2020, and October 21, 2020, Venezuela failed to make contractually mandated interest payments of 3.825% on the \$176,000,000 principal amount of the 7.65% 2025 Bonds

beneficially owned by Pharo Gaia, which amounts to \$6,732,000 per interest payment or \$47,124,000 in total.

43. Venezuela has yet to make those interest payments.

44. On December 22, 2020, a group of creditors holding 25% or more in aggregate outstanding principal amount of the 7.65% 2025 Bonds accelerated those bonds in accordance with the 2001 FAA and the bond terms, at which time the entire \$176,000,000 principal amount beneficially owned by Pharo Gaia became due and payable.

45. On December 22, 2020, when the 7.65% 2025 Bonds matured by acceleration, Venezuela failed to pay the \$176,000,000 principal amount beneficially owned by Pharo Gaia.

46. Venezuela has yet to make that principal payment.

47. As a result of Venezuela's failures to meet its obligations under the 7.65% 2025 Bonds, Venezuela currently owes Pharo Gaia: (1) \$176,000,000 in missed principal payments; and (2) \$47,124,000 in missed interest payments.

### **Pharo Macro – 7.65% 2025 Bonds**

48. Pharo Macro is a current beneficial owner of \$255,500,000 principal amount of the 7.65% 2025 Bonds designated ISIN XS0217249126.

49. On October 21, 2017, April 21, 2018, October 21, 2018, April 21, 2019, October 21, 2019, April 21, 2020, and October 21, 2020, Venezuela failed to make contractually mandated interest payments of 3.825% on the \$255,500,000 principal amount of the 7.65% 2025 Bonds beneficially owned by Pharo Macro, which amounts to \$9,772,875 per interest payment or \$68,410,125 in total.

50. Venezuela has yet to make those interest payments.

51. On December 22, 2020, a group of creditors holding 25% or more in aggregate outstanding principal amount of the 7.65% 2025 Bonds accelerated those bonds in accordance with the 2001 FAA and the bond terms, at which time the entire \$255,500,000 principal amount beneficially owned by Pharo Macro became due and payable.

52. On December 22, 2020, when the 7.65% 2025 Bonds matured by acceleration, Venezuela failed to pay the \$255,500,000 principal amount beneficially owned by Pharo Macro.

53. Venezuela has yet to make that principal payment.

54. As a result of Venezuela's failures to meet its obligations under the 7.65% 2025 Bonds, Venezuela currently owes Pharo Macro: (1) \$255,500,000 in missed principal payments; and (2) \$68,410,125 in missed interest payments.

#### **Pharo Trading – 7.65% 2025 Bonds**

55. Pharo Trading is a current beneficial owner of \$26,000,000 principal amount of the 7.65% 2025 Bonds designated ISIN XS0217249126.

56. On October 21, 2017, April 21, 2018, October 21, 2018, April 21, 2019, October 21, 2019, April 21, 2020, and October 21, 2020, Venezuela failed to make contractually mandated interest payments of 3.825% on the \$26,000,000 principal amount of the 7.65% 2025 Bonds beneficially owned by Pharo Trading, which amounts to \$994,500 per interest payment or \$6,961,500 in total.

57. Venezuela has yet to make those interest payments.

58. On December 22, 2020, a group of creditors holding 25% or more in aggregate outstanding principal amount of the 7.65% 2025 Bonds accelerated those bonds in accordance with the 2001 FAA and the bond terms, at which time the entire \$26,000,000 principal amount beneficially owned by Pharo Trading became due and payable.

59. On December 22, 2020, when the 7.65% 2025 Bonds matured by acceleration, Venezuela failed to pay the \$26,000,000 principal amount beneficially owned by Pharo Trading.

60. Venezuela has yet to make that principal payment.

61. As a result of Venezuela's failures to meet its obligations under the 7.65% 2025 Bonds, Venezuela currently owes Pharo Trading: (1) \$26,000,000 in missed principal payments; and (2) \$6,961,500 in missed interest payments.

#### **Pharo Macro – 11.75% 2026 Bonds**

62. Pharo Macro is a current beneficial owner of \$5,000,000 principal amount of the 11.75% 2026 Bonds designated ISIN USP17625AE71.

63. On October 21, 2017, April 21, 2018, October 21, 2018, April 21, 2019, October 21, 2019, April 21, 2020, and October 21, 2020, Venezuela failed to make contractually mandated interest payments of 5.875% on the \$5,000,000 principal amount of the 11.75% 2026 Bonds beneficially owned by Pharo Macro, which amounts to \$293,750 per interest payment or \$2,056,250 in total.

64. Venezuela has yet to make those interest payments.

65. As a result of Venezuela's failures to meet its obligations under the 11.75% 2026 Bonds, Venezuela currently owes Pharo Macro \$2,350,000 in missed interest payments.

#### **Pharo Gaia – 9.25% 2027 Bonds**

66. Pharo Gaia is a current beneficial owner of \$143,000,000 principal amount of the 9.25% 2027 Bonds designated ISIN US922646AS37.

67. On March 15, 2018, September 15, 2018, March 15, 2019, September 15, 2019, March 15, 2020, September 15, 2020, and March 15, 2021, Venezuela failed to make contractually mandated interest payments of 4.625% on the \$143,000,000 principal amount of the 9.25% 2027

Bonds beneficially owned by Pharo Gaia, which amounts to \$6,613,750 per interest payment or \$46,296,250 in total.

68. Venezuela has yet to make those interest payments.

69. As a result of Venezuela's failures to meet its obligations under the 9.25% 2027 Bonds, Venezuela currently owes Pharo Macro \$46,296,250 in missed interest payments.

#### **Pharo Macro – 9.25% 2027 Bonds**

70. Pharo Macro is a current beneficial owner of \$106,000,000 principal amount of the 9.25% 2027 Bonds designated ISIN US922646AS37.

71. On March 15, 2018, September 15, 2018, March 15, 2019, September 15, 2019, March 15, 2020, September 15, 2020, and March 15, 2021, Venezuela failed to make contractually mandated interest payments of 4.625% on the \$106,000,000 principal amount of the 9.25% 2027 Bonds beneficially owned by Pharo Macro, which amounts to \$4,902,500 per interest payment or \$34,317,500 in total.

72. Venezuela has yet to make those interest payments.

73. As a result of Venezuela's failures to meet its obligations under the 9.25% 2027 Bonds, Venezuela currently owes Pharo Macro \$34,317,500 in missed interest payments.

#### **Pharo Trading – 9.25% 2027 Bonds**

74. Pharo Trading is a current beneficial owner of \$27,000,000 principal amount of the 9.25% 2027 Bonds designated ISIN US922646AS37.

75. On March 15, 2018, September 15, 2018, March 15, 2019, September 15, 2019, March 15, 2020, September 15, 2020, and March 15, 2021, Venezuela failed to make contractually mandated interest payments of 4.625% on the \$27,000,000 principal amount of the 9.25% 2027

Bonds beneficially owned by Pharo Trading, which amounts to \$1,248,750 per interest payment or \$8,741,250 in total.

76. Venezuela has yet to make those interest payments.

77. As a result of Venezuela's failures to meet its obligations under the 9.25% 2027 Bonds, Venezuela currently owes Pharo Trading \$8,741,250 in missed interest payments.

#### **Pharo Gaia – 9.375% 2034 Bonds**

78. Pharo Gaia is a current beneficial owner of \$25,000,000 principal amount of the 9.375% 2034 Bonds designated ISIN US922646BL74.

79. On January 13, 2018, July 13, 2018, January 13, 2019, July 13, 2019, January 13, 2020, July 13, 2020, and January 13, 2021, Venezuela failed to make contractually mandated interest payments of 4.6875% on the \$25,000,000 principal amount of the 9.375% 2034 Bonds beneficially owned by Pharo Gaia, which amounts to \$1,171,875 per interest payment or \$8,203,125 in total.

80. Venezuela has yet to make those interest payments.

81. On December 6, 2018, a group of creditors holding 25% or more in aggregate outstanding principal amount of the 9.375% 2034 Bonds accelerated those bonds in accordance with the 1998 FAA and the bond terms, at which time the entire \$25,000,000 principal amount beneficially owned by Pharo Gaia became due and payable.

82. On December 6, 2018, when the 9.375% 2034 Bonds matured by acceleration, Venezuela failed to pay the \$25,000,000 principal amount beneficially owned by Pharo Gaia.

83. Venezuela has yet to make that principal payment.

84. As a result of Venezuela's failures to meet its obligations under the 9.375% 2034 Bonds, Venezuela currently owes Pharo Gaia: (1) \$25,000,000 in missed principal payments; and (2) \$8,203,125 in missed interest payments.

**Pharo Macro – 9.375% 2034 Bonds**

85. Pharo Macro is a current beneficial owner of \$5,000,000 principal amount of the 9.375% 2034 Bonds designated ISIN US922646BL74.

86. On January 13, 2018, July 13, 2018, January 13, 2019, July 13, 2019, January 13, 2020, July 13, 2020, and January 13, 2021, Venezuela failed to make contractually mandated interest payments of 4.6875% on the \$5,000,000 principal amount of the 9.375% 2034 Bonds beneficially owned by Pharo Macro, which amounts to \$234,375 per interest payment or \$1,640,625 in total.

87. Venezuela has yet to make those interest payments.

88. On December 6, 2018, a group of creditors holding 25% or more in aggregate outstanding principal amount of the 9.375% 2034 Bonds accelerated those bonds in accordance with the 1998 FAA and the bond terms, at which time the entire \$5,000,000 principal amount beneficially owned by Pharo Macro became due and payable.

89. On December 6, 2018, when the 9.375% 2034 Bonds matured by acceleration, Venezuela failed to pay the \$5,000,000 principal amount beneficially owned by Pharo Macro.

90. Venezuela has yet to make that principal payment.

91. As a result of Venezuela's failures to meet its obligations under the 9.375% 2034 Bonds, Venezuela currently owes Pharo Macro: (1) \$5,000,000 in missed principal payments; and (2) \$1,640,625 in missed interest payments.

**Pharo Trading – 7.00% 2038 Bonds**

92. Pharo Trading is a current beneficial owner of \$7,000,000 principal amount of the 7.00% 2038 Bonds designated ISIN USP97475AJ95.

93. On March 31, 2018, September 30, 2018, March 31, 2019, September 30, 2019, March 31, 2020, September 30, 2020, and March 31, 2021, Venezuela failed to make contractually mandated interest payments of 3.50% on the \$7,000,000 principal amount of the 7.00% 2038 Bonds beneficially owned by Pharo Trading, which amounts to \$245,000 per interest payment or \$1,715,000 in total.

94. Venezuela has yet to make those interest payments.

95. As a result of Venezuela's failures to meet its obligations under the 7.00% 2038 Bonds, Venezuela currently owes Pharo Trading \$1,715,000 in missed interest payments.

I declare under penalty of perjury that the foregoing is true and correct.

Executed: April 20, 2021

New York, NY



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Jeffrey Hanlon  
Senior Partner & CFO  
Pharo Management, Inc.